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No. 75-1405

In the
Supreme Court of the United States
October Term, 1975

MARSHALL FIELD & CO.,
Petitioner,

vs.

MARIAN SHOUP,
Respondent.

BRIEF OF RESPONDENT IN OPPOSITION

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The Scheffer Press, Inc.—(312) 263-6850

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In The

SUPREME COURT OF THE UNITED STATES

October Term, 1975

No. 75-1405

MARSHALL FIELD & CO.,

Petitioner,

vs.

MARIAN SHOUP,

Respondent.

BRIEF OF RESPONDENT IN OPPOSITION

Respondent submits that a writ of certiorari should not be issued for the purpose of reviewing the U. S. Court of Appeals for the Seventh Circuit decision dated March 1, 1976 in its case No. 75-1729..

QUESTION PRESENTED

Whether the factual evidence submitted on the issue of title and considered by the District Court and the Court of Appeals supports the finding of the District Court and adopted by the Court of Appeals that Respondent Marian Shoup is the owner of the patent in suit.

STATEMENT OF THE CASE

Because of inaccuracies, errors and omissions contained in the Petitioner's Statement, the following presentation of facts material to the title issue is presented together with remarks concerning the statement in the Petition.

It is apparent the presentation of facts in the Petition in a fashion contrary to the evidence and findings of the lower court is misleading and confusing. The thrust of the Petition is based upon an assertion that a false notation of title is printed on the patent through a mistake of an unidentified clerk in the Patent Office. Yet, the courts below, after considering the evidence submitted, did not agree with this thrust.

The patent in suit 3,174,863 (P. App. F)* was granted to the Irene Schneider Trust. Thereafter, the patent was assigned to Respondent Marian Shoup.

Ownership of the patent by Respondent Marian Shoup is evidenced by documents recorded in the U.S. Patent Office which include an assignment (P. App. I) from the inventor Allen A. Shoup to Shoup Engineering Corporation, an assignment (P. App. H) from the Shoup Engineering Corporation to the Irene Schneider Trust, and an assignment (P. App. J) from the Irene Schneider Trust to Respondent. The U.S. Patent Office certified the recording of these documents in the digest issued March 19, 1974 (R. App. K).** These instruments were examined and considered by the District Court and the Court of Appeals *prior* to the finding that Respondent is the owner of the patent in suit.

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* P. App. = Appendix to Petition for Writ of Certiorari

** R. App. = Appendix to Brief of Respondent in Opposition

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Additionally, the subscription agreement dated March 14, 1961 (P. App. G), an affidavit of Respondent Marian Shoup dated July 3, 1974 (R. App. L), the corporate charter of Shoup Engineering Corporation (R. App. M), oral testimony of Robert C. Read and Berwyn B. Braden at the title hearing, and other evidence were considered by the District Court and the Court of Appeals in connection with deciding the issue of title.

In the deposition of Respondent Marian Shoup taken on September 26, 1973, she responded to counsel for Petitioner:

> "Q. Who is the present owner of Patent No. 3,174,863? Maybe you will want to look at it.
> "A. (Examining document) I am."

At the title hearing Mr. Read testified:

> "Q. Do you know of any other party who held an interest in the patent or any part or any legal title to the patent prior to or subsequent to the assignment from the Shoup Engineering Corporation to the trust?
> "A. No, I know of none."

and Mr. Braden testified:

> "Q. Do you know of any other party during the time that you have been acquainted with this matter that has stated that they own any title in this patent or in the invention?
> "A. I know of no one."

Relative to the purpose of the nunc pro tunc assignment (P. App. I), Mr. Braden testified:

> "The Witness: Yes, your Honor, I have an explanation for that:

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"This assignment dated 1965 is nunc pro tunc, March 14, 1961, which is the date of the subscription agreement that I just referred to, and I understand that this assignment was drawn in 1965 in recordable form that would be acceptable for recording purposes in the United States Patent Office."

Concerning the provision in the assignment to the Irene Schneider Trust, Mr. Read testified:

"Q. Mr. Shoup told you that there was a previous assignment for $5000 in the patent application; that is the source of your statement there in that document?

"A. Yes, right. There was no actual assignment.

"Q. Do you know that of your own knowledge?

"A. Yes, I know Mr. Shoup told me that, yes."

The various assignment documents conform to the provisions of 35 USC 261, and the granting of the patent to the Irene Schneider Trust conforms to 35 USC 152

The manufacturers of the Toastmaster broiler, the Farberware broiler and the Cory broiler were licensed under the Shoup patent and recognized Respondent as the owner of the patent (P. App. C, Findings of Fact 5, 47, 48, 49, 50 and 51).

It is incorrect that Petitioner contends the notation printed in the heading of the Shoup patent to be false as such is not supported by the record.

It is incorrect that Petitioner in its Satement contends Shoup Engineering Corporation to be the owner of the patent or possibly to have assigned the patent to some unknown person or firm as no evidence of this contention is in the record.

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It is further incorrect for Petitioner to state the subscription agreement (P. App. G) did not operate as an assignment of the invention to Shoup Engineering Corporation wherein the body of this agreement clearly indicates the subscribers not only treated the corporation as being in existence on the date of the agreement for the purposes of the transactions described but also entered the agreement on the basis the invention of Allen Shoup be assigned to the corporation. Indeed, the subsequent nunc pro tunc assignment (P. App. I) confirmed the intention of the inventor that the invention was assigned to the corporation on the date of the subscription agreement. Respondent Marian Shoup also considered the transfer effective as of this date as indicated in her affidavit (R. App. L). The statute 35 USC 261 does not preclude the operativeness of this subscription agreement but does state a verified instrument such as the nunc pro tunc document to be prima facie evidence of execution.

It is incorrect that Petitioner's Statement asserts the assignment of October 25, 1963 from Shoup Engineering Corporation to the Irene Schneider Trust did not transfer all rights in the invention. The evidence submitted clearly controverts this assertion. See testimony of Messrs. Read and Braden supra. Petitioner did not submit any evidence contrary to the testimony of Messrs. Read and Braden.

It is incorrect for Petitioner to suggest in its statement that the transaction set forth in the subscription agreement did not take place. It is a matter of public record Shoup Engineering Corporation was formed on February 17, 1961 (R. App. M), nearly one month prior to the subscription agreement. After formation, members of a corporation can legally conduct business among themselves such as was conducted on March 14, 1961 per the subscription agreement.

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In view of the evidence considered by the courts, it is incorrect for Petitioner to assert the courts below abdicated their judicial determination of title to some unknown clerk or to assert that the courts relied solely on the notation of the title in the heading of the patent. In the finding of fact No. 3 in the District Court's Findings (P. App. C), Respondent was found to have the entire right, title and interest in the patent in suit and in Conclusion of Law No. 2, Respondent was declared the owner of the Shoup patent.

It is incorrect for Petitioner to suggest the Patent Office personnel were confused by the recording of the assignment from Allen A. Shoup to Shoup Engineering Corporation and the assignment from Shoup Engineering Corporation to the Irene Schneider Trust on the same day. The order of these assignments is correctly set forth in the certified copy of the digest prepared by the Patent Office (R. App. L).

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REASONS FOR DENYING THE WRIT

1. The question presented here is one of fact and was correctly decided by the District Court and by the Court of Appeals.

As above noted, it is abundantly clear from the three questions presented in the Petition that the thrust of the Petition attacks a question of fact decided below concerning the notation of title printed at the heading of the patent. Petitioner claims this notation is false because it is the result of a mistake of a clerk in the Patent Office.

Prior to the title hearing, Petitioner moved for summary judgment on the ground Respondent did not own the patent in suit. This motion was denied in the Memorandum Opinion and Order dated June 7, 1974 (R. App. N) on the basis a crucial material fact was in dispute. Thereafter, pursuant to evidence submitted *only* by Respondent at the title hearing on July 11, 1974 (no evidence was submitted by Petitioner), the District Court resolved this crucial material fact and found Respondent to have complete title in the patent, as set forth in the Memorandum Opinion and Order dated October 15, 1974 (P. App. B). Petitioner's subsequent motion for reconsideration of the Court's memorandum was denied by the Court's minute order of November 19, 1974 (R. App. O). The Court of Appeals adopted the District Court's memorandum of October 15, 1974.

Accordingly, the District Court and the Court of Appeals relied upon the evidence submitted at the title hearing in effectively concluding the fact that the notation of title at the heading of the patent was correct and in accordance with the assignment documents recorded in

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the Patent Office and in accordance with other documents relating to title.

2. The District Court and the Court of Appeals correctly interpreted the statutory and decisional law applicable to the title issue.

Petitioner does not contest the fact that the assignments recorded in the Patent Office prior to the issuance of the patent in suit are authentic and that the assignments were considered by the District Court in determining title did reside in the Irene Schneider Trust the date of the patent in suit was granted.

The very early Supreme Court case of *Gayler* v. *Wilder,* 10 How. 477 (1850), established the widely followed rule that legal title to a patent is in the assignee where an assignment is recorded before a patent issues. The further widely followed rule that a named assignee in an issued patent is prima facie evidence title resides in such assignee was laid down by the District Court of Massachusetts in *Beckwith Box Tow Co.* v. *Gowdy,* 244 Fed. 805 (1916). Indeed, if it is true that a Patent Office clerk determined the content of the notation in the heading in the patent in suit, that clerk clearly followed these decisions.

The District Court further followed other established decision law on title. *Consolidated Electric Co.* v. *Edison Electric Light Co.,* 25 Fed. 719 (C.C. N.Y., 1885) clearly establishes title to be vested in the ultimate assignee where successive assignments are recorded in the U.S. Patent Office prior to issuance of a patent. Moreover, *Elliot-Fisher Co.* v. *Underwood Typewriter Co.,* 176 Fed. 372 (C.C. S.D. N.Y., 1909), states:

> "I find no authority for the proposition that patents may not be issued to an assignee, who holds through mesne assignements from the inventor, provided such assignments are first entered of record in the Patent Office."

There can be no question that the Irene Schneider Trust was the last assignee recorded in the U.S. Patent Office prior to the issuance of the Shoup patent.

Further, there is no question that the Respondent is now the last named assignee in the chain of title as recorded in the U.S. Patent Office for the patent in suit as per the title report.

The Court of Appeals recognized only established rules of law were applied by the District Court in labeling its decision as an unpublished order.

3. The reasons advanced by Petitioner for granting the Writ are unsound and unsupported by the record.

There is no quarrel with the premise that Petitioner is entitled to be sued for infringement by the owner of title to the patent and such was so held by the District Court in its Memorandum Opinion and Order dated October 15, 1974 (P. App. B, page 28, lines 22-24). Respondent was properly determined to be the owner. Accordingly, there is no basis for Peitioner's assertion that it will be left vulnerable to another suit.

The fabrication in reasons 2 and 3 (pages 16-19 of the Petition) that some Patent Office clerk determined the issue of title based upon assignment instruments presented for recording, whether right or wrong, is immaterial since the courts below did not rely on any such determination.

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The further suggestion that the decision rendered on the title issue by the District Court and adopted by the Court of Appeals is in conflict with *De Sylva* v. *Ballentine* and *Bartok* v. *Boosey & Hawks, Inc.* is incorrect. There can be no conflict with these decisions which concern the interpretation of an application of the copyright renewal statute. *De Sylvia* interprets the renewal statute in connection with rights of a widow and child where the author is dead, while *Bartok* deals with the question of whether a musical composition was posthumous.

CONCLUSION

The evidence considered by the District Court and examined by the Court of Appeals leaves no room for doubt that Respondent Marian Shoup is the owner of the patent in suit.

The adjudication of patent ownership by the District Court and the Court of Appeals of the Seventh Circuit is not in conflict with decisions of this Court and other circuits.

There is no sound basis on which this Court should review the decisions below.

Accordingly, the Petition of Marshall Field & Co. for writ of certiorari should be denied.

Respectfully submitted,

LLOYD L. ZICKERT
One First National Plaza
Chicago, Illinois 60603
Attorney for Respondent

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APPENDIX K

APPENDIX K
U.S. DEPARTMENT OF COMMERCE
PATENT OFFICE
WASHINGTON, D.C. 20231

March 19, 1974
(Date)

This is to certify, That the annexed is a true copy from the Digest of the Assignment Records of all documents found of record up to and including February 20, 1974, referring to Patent Number 3,174,863, Issued March 23, 1965.

By authority of the
COMMISSIONER OF PATENTS
Emmanuel J. Remline
Certifying Officer

FORM PO-85 (8-70)

USCOMM-DC 61276-P70

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INVENTOR	Shoup, Allen A.
ASSIGNOR	Same
ASSIGNEE	Shoup Engineering Corporation, East Troy, Wis., a Wis. corp.
TITLE	TITLE OF INVENTION NOT STATED
BRIEF	Assigns, as of Mar. 14, 1961, the entire interest

DOCUMENT DATED	APPLICATION EXECUTED	DOCKET NO
Jan. 21, 1965 Ack.		

RECORDED	REEL	FRAME	APPLICATION FILED	SERIAL NO	PATENT NO	PATENT DATE
1-22-65	1488	300	2-13-61	88,868	3,174,863	3-23-65

INVENTOR	Shoup, Allen A.
ASSIGNOR	Shoup Engineering Corporation, a Wis. corp.
ASSIGNEE	Schneider, Irene, Trust
TITLE	TITLE OF INVENTION NOT STATED
BRIEF	Assigns the entire interest in said patent and in the Agreement with McGraw-Edison Company dated Oct. 30, 1962. (See Record for details.)

DOCUMENT DATED	APPLICATION EXECUTED	DOCKET NO
Oct. 25, 1963 Ack.		

RECORDED	REEL	FRAME	APPLICATION FILED	SERIAL NO	PATENT NO	PATENT DATE
1-22-65	1488	299	2-13-61	88,868	3,174,863	3-23-65

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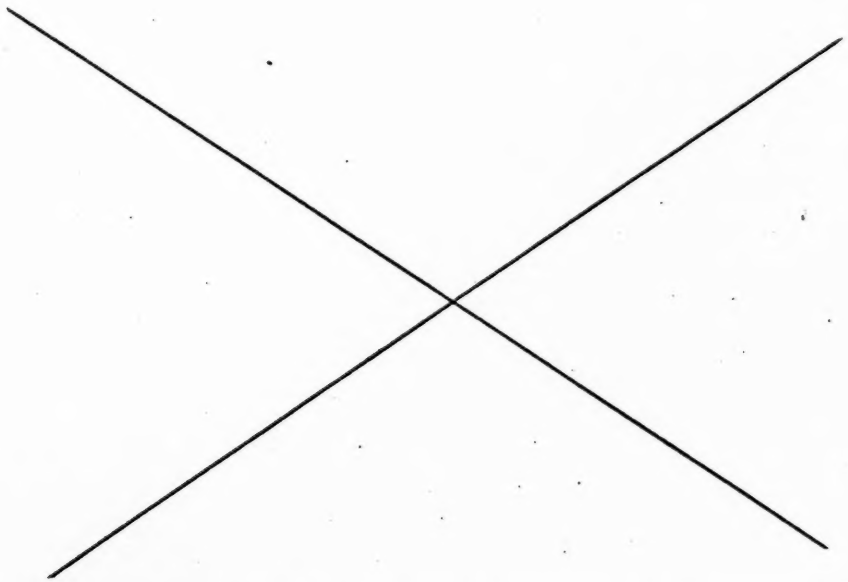
INVENTOR	Shoup, Allen A.
ASSIGNOR	Schneider, Irene Trust, a Wisconsin Trust
ASSIGNEE	Shoup, Marian Chicago, Ill.
TITLE	TITLE OF INVENTION NOT STATED
BRIEF	Assigns the entire interest

DOCUMENT DATED				APPLICATION EXECUTED		DOCKET NO.
8-3-68 Ack.						
RECORDED	REEL	FRAME	APPLICATION FILED	SERIAL NO.	PATENT NO.	PATENT DATE
8-12-68	2394	566			3,174,863	3-23-65



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APPENDIX L

IN THE UNITED STATES DISTRICT COURT

For The Northern District of Illinois

Eastern Division

MARIAN SHOUP,

Plaintiff,

v.

MARSHALL FIELD & Co.,

Defendant.

Civil Action No. 69 C 1682

AFFIDAVIT OF MARIAN SHOUP

STATE OF CALIFORNIA)
) SS.
COUNTY OF)

MARIAN SHOUP, being duly sworn, deposes and says:

1. She is the same person as the named plaintiff in the above identified action.

2. She is the widow of Allen A. Shoup.

3. Said Allen A. Shoup is the named inventor in U. S. Patent 3,174,863.

4. Prior to her marriage to Allen A. Shoup, her name was Marian Waite; and she is the same person who signed as "Marian Waite" on the subscription agreement dated March 14, 1961, a copy attached as Exhibit A.

5. She is familiar with the invention disclosed and claimed in the Shoup Patent 3,174,863; and it was her understanding on March 14, 1961 that this invention was assigned to Shoup Engineering Corp. by the inventor Allen A. Shoup in return for 88,000 shares of Shoup

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Engineering Corp., pursuant to said subscription agreement.

6. She was the Trustee of the Irene Schneider Trust.

7. She retained Mr. Berwyn B. Braden of Lake Geneva, Wisconsin, as counsel for said Irene Schneider Trust to represent the Trust in litigation in the Walworth County Circuit Court in Wisconsin which resulted in a judgment dated November 26, 1968 nunc pro tunc, November 6, 1968, a copy attached as Exhibit B.

8. As Trustee of the Irene Schneider Trust, she executed the assignment dated August 3, 1968, a copy attached as Exhibit C; and she is the same person named as "ASSIGNEE" in said assignment.

9. She is familiar with the assignment document dated October 25, 1963, a copy attached as Exhibit D, and since this assignment she is not aware of any person heretofore or at the present claiming any title to the patent in suit or the patent application preceding the patent other than the Irene Schneider Trust.

10. Since August 3, 1968, she knows of no person claiming any ownership to the patent in suit other than herself.

11. A copy of said Patent 3,174,863 is attached as Exhibit E.

/s/ Marian Shoup
Marian Shoup

Subscribed and sworn to before me this 3rd day of July, 1974.

/s/ Lillian Aranda
Lillian Aranda
Notary Public

(Seal)

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APPENDIX M

Form 2—Gen. Stats.
Certificate of Incorporation

APPENDIX M

United States of America
State of Wisconsin
Department of State

S-10824

To All to Whom These Presents Shall Come:

The undersigned, as Secretary of State of the State of Wisconsin, hereby certifies that, on the 17th *day of* February *,19*61*, Articles of Incorporation were filed in my office, and the filing fee paid, under the provisions of Chapter 180 of the Wisconsin Statutes, which Articles provide:*

Name: SHOUP ENGINEERING CORP.

Registered Office: 1309 Hawthorne Street, Janesville, Wisconsin.

Period of Existence: Perpetual

Capital Stock: 100,000 shares of common stock at $1 per share.

Purposes for which organized: to engage in any lawful purpose authorized by Chapter 180 of the Wisconsin Statutes.

I further certify that a certificate has been filed in my office to the effect that a duplicate of said Articles, bearing my certificate, was recorded in the office of the Register of Deeds of Rock *County, Wisconsin, on the* 3rd *day of* April *,19*61*.*

THEREFORE, The State of Wisconsin does hereby grant unto the said corporation the powers and privileges conferred by the Wisconsin Statutes for the purposes stated and in accordance with said Articles.

In Witness Whereof, I have hereunto set my hand and affixed my official seal, at the Capitol, in the City of Madison, this 12th *day of* April *A. D. 19*61*.*

ROBERT C. ZIMMERMAN
Secretary of State

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APPENDIX N

IN THE UNITED STATES DISTRICT COURT

For The Northern District of Illinois

Eastern Division

MARIAN SHOUP,

Plaintiff,

v.

MARSHALL FIELD & Co.,

Defendant.

Civil Action No. 69 C 1682

MEMORANDUM OPINION AND ORDER

This is a civil action brought by Marian Shoup for the alleged infringement of a patent on a smokeless broiler by the defendant Marshall Field & Company. Even though this case was filed almost four years ago, the defendant has now moved for summary judgment on the thresold issue of patent ownership, claiming that the plaintiff does not possess sufficient title in the patent to maintain this suit.

In order to grant a motion for summary judgment, this Court must be convinced that there exists ". . . no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. . . ." F.R.C.P. Rule 56(c). Furthermore, when determining whether a material issue of fact exists in the present controversy, this Court must look at the record in the light most favorable to the party opposing the motion. *Poller* v. *Columbia Broadcasting System, Inc.*, 368 U.S. 464 (1961). All inferences must be construed in favor of the motion's opponent. *United States* v. *Diebold, Inc.*,

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369 U.S. 654 (1962); *2361 State Corporation* v. *Sealy, Inc.*, 263 F.Supp. 845 (N.D.Ill. 1967). Thus, even if it can ". . . be surmised that the party against whom the motion is made is unlikely to prevail at the trial [this] is not sufficient to authorize summary judgment against him." *National Screen Service Corporation* v. *The Poster Exchange, Inc.*, 305 F.2d 647 (5th Cir. 1962).

In the situation presented by the instant controversy, the plaintiff claims full and complete title to the patent while the defendant claims that the plaintiff's title is less than complete. Thus there exists a substantial dispute as to a crucial material fact underlying this case and, as such, it cannot be decided by a motion of this type.

For this reason, the defendant's motion for summary judgment is hereby denied.

ENTER:

/s/ Frank J. McGarr
United States District Judge

Dated: June 7, 1974

APPENDIX O

UNITED STATES DISTRICT COURT

Northern District of Illinois

Eastern Division

Name of Presiding Judge, Honorable Frank J. McGarr

Cause No. 69 C 1682 Date 11/19/74

Title of Cause Marian Shoup v. Marshall Field & Co.

Brief Statement of Motion —

Names and Addresses of moving counsel —

Representing —

Names and Addresses of other counsel entitled to notice and names of parties they represent —

Notes — Motion of defendant for reconsideration of the Court's memorandum or, in the alternative, for an order amending the memorandum opinion and order dated October 15, 1974, to permit immediate right of appeals, is hereby denied.

/s/ Frank J. McGarr
Judge

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